

Message Text

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ACTION STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 AF-10 ARA-10 EA-10 NEA-10 OIC-02
JUSE-00 DOEE-00 SSO-00 /168 W
-----060000 171751Z /44

P 171731Z JUL 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 2182
INFO AMEMBASSY VIENNA

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USMTN

ACTION STR
PASS STR ELECTRONICALLY
STR PASS CODEL

EO 11652: N/A
TAGS: ETRD, GATT, MTN
SUBJECT: US/AUSTRIAN BILATERAL, JULY 6: AGRICULTURAL
REQUESTS/OFFERS

1. TAKING ADVANTAGE OF PRESENCE IN GENEVA OF AGRICULTURAL
EXPERTS FROM WASHINGTON AND VIENNA, US DEL (MOORE, RIESZ)
MET WITH AUSTRIAN DEL (SEGALLA, RAMBERGER, KUCERA) TO
DISCUSS US REQUESTS AND OFFERS ON AGRICULTURAL ITEMS.
AUSTRIAN DEL QUESTIONED RATIONALE FOR EX-OUTS IN REVISED
US OFFER ON TSUS 11785. AUSTRIANS SPECIFICALLY SOUGHT
TRADE ALLOCATIONS FOR EX-OUTS AND REASON FOR ESTABLISHING
NEW LINES FOR CHEESE IMPORTS WITHIN QUOTA AND OVER QUOTA.
US DEL HAS RECEIVED NO BACK-UP MATERIAL ON THIS SUBJECT
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AND WAS UNABLE TO SUPPLY ANSWERS. COMMENT: IF TRADE
ALLOCATIONS OR ESTIMATES FOR THESE EX-OUTS ARE AVAILABLE,
US DEL WOULD APPRECIATE RECEIVING THEM ASAP. WE ALSO
NEED AN EXPLANATION OF RATIONALE FOR CREATING NEW TARIFF
LINES WITHIN AND OUTSIDE QUOTA. END COMMENT

2. AUSTRIAN DEL PROVIDED FOLLOWING RESPONSES TO US

AGRICULTURAL REQUESTS:

(A) US REQUESTED QUOTA AND LICENSING ELIMINATION FOR ITEMS ON WHICH LICENSING AND QUOTAS ALREADY HAVE BEEN ELIMINATED. THESE ITEMS ARE 0202A2, 0202C, 0203, 0206, 2006B3, AND 2006B4.

(B) ON ITEM 2402A, CIGARS, AUSTRIAN DEL INFORMED US DEL THAT NO LICENSING SYSTEM IS IN OPERATION.

(C) ON EX-2107D, VEGETABLE PROTEIN CONCENTRATES, QUOTAS AND LICENSING ARE NOT IN EFFECT AND AUSTRIAN POLICY TO DATE IS TO APPLY VARIABLE LEVIES ONLY ON SUGAR, STARCH, OR WHEAT CONTENT. THEREFORE, US REQUEST AS STATED FOR LICENSING AND VARIABLE LEVY LIBERALIZATION IS NOT RELEVANT.

(D) ON ITEMS 1001, WHEAT, AND 1003, MAIZE, AUSTRIANS QUESTIONED US REQUEST IN VIEW OF AUSTRIA'S POSITION AS EXPORTER OF BOTH THESE GRAINS.

(E) ON EX-0702, FROZEN FRENCH FRIES, AUSTRIAN DEL INDICATED THAT THESE PRODUCTS MAY APPEAR UNDER TARIFF LINE 2002 DEPENDING ON METHOD OF PREPARATION AND REQUESTED A MORE COMPLETE EXPLANATION OF HOW PRODUCT IS PREPARED.

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(F) ON US REQUEST FOR LIBERALIZATION OF VARIABLE LEVIES FOR POULTRY ITEMS 0202A2, 0202C, AND 0203, AUSTRIAN DEL RESPONDED THAT THE LEVY APPLIES ONLY IF IMPORTS ENTER BELOW THE SLUICE-GATE PRICE AND THAT IN PRACTICE THIS RARELY OCCURS.

3. IN RESPONSE TO AUSTRIAN DEL'S REQUEST FOR MORE INFORMATION ON US DESIRE TO ESTABLISH A LEVY-FREE QUOTA FOR HIGH-QUALITY BEEF FOR USE IN HOTELS AND RESTAURANTS, US DEL (RIESZ) DISTRIBUTED COPIES OF DEFINITION OF HIGH-QUALITY BEEF WHICH HAS BEEN ACCEPTED BY JAPAN AND AUSTRIA. AUSTRIANS GAVE PERSONAL VIEW THAT LITTLE POSSIBILITY EXISTS FOR ESTABLISHMENT OF THIS TYPE QUOTA SAYING THAT IT WOULD REQUIRE A CHANGE IN EXISTING LAW AND WOULD BE POLITICALLY DIFFICULT. COMMENT: IN US DEL OPINION, THERE REMAINS SOME POSSIBILITY FOR ESTABLISHMENT OF QUOTA, BUT NOT AT LEVEL OF 1,000 TONS AND NOT IF US IS UNABLE TO RESPOND POSITIVELY TO AUSTRIA'S CONCERNS ON CHEESE. END COMMENT.

4. AUSTRIAN DEL CONCLUDED BY CITING 230 MILLION DOLLAR AGRICULTURAL TRADE DEFICIT IN 1970 AND 916 MILLION DOLLAR DEFICIT IN 1977 AS EVIDENCE OF A "LIBERAL" TRADING

SYSTEM IN AGRICULTURAL PRODUCTS. THEY ALSO INDICATED
THAT ANY SIGNIFICANT IMPROVEMENT BY AUSTRIA WILL DEPEND
ON US LIBERALIZATION ON CHEESE. US DEL AGREED TO SEEK
CLARIFICATION OF POINTS RAISED AND TRANSMIT RESPONSE TO
AUSTRIAN DEL ASAP.

5. DRAFTED BY MOORE. CULBERT

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